



November 11, 1998

Diana Fabiano
Canada Trust
418 The West Way
Etobicoke, Ontario

Dear Ms. Fabiano:

RE: LOAN REQUEST

The Jamaican Canadian Association hereby submits a formal request for a loan to complete the renovations of our building at 995 Arrow Road.

We are enclosing for your perusal a copy of the "Case for Support," which provides a history of the JCA and our future plans. Also enclosed are the following documents: -

- ▶ Request For Financing
- ▶ Project Details
- ▶ Appraisal Report
- ▶ Audited Financial Statement for period ended September 30, 1998
- ▶ 3-Year Cash Flow Projection and Historical Comparison Data
- ▶ Projected Income Budget - Comparison of Daily Rental Rates
- ▶ Renovation Budget
- ▶ Letter from Finance Minister regarding tax cancellation

During the past two years we have successfully fundraised \$227,000 which includes \$43,000 from our first ever car raffle last year and \$55,000 from this year's raffle. We will be officially launching our "Buy a Brick" Campaign in early December.

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Head Office
995 Arrow Road
North York, Ontario
M9M 2Z5
(416) 746-5772
Fax (416) 746-7035

Offices At:
**Caribbean Youth
& Family Services**
2065 Finch Avenue W., Suite 412
Downsview, Ontario M3N 2V7
(416) 740-1558 Fax (416) 740-3918

**Lawrence Heights
Community Centre**
5 Replin Road
Toronto, Ontario M6A 2M8
(416) 785-7920

We have taken the following steps to strengthen our financial situation:

Our Caribbean Youth and Family Service division which was once housed at 2065 Finch Avenue West is now located at head office. This will result in a saving of \$1,250 per month. In addition, we have received an exemption from education tax under the Education Act for 1998 and beyond from the Ministry of Finance. We had previously in December 1997, received an exemption from municipal taxes. This has resulted in combined savings of \$4,350 per month.

The entire Black and Caribbean community has an interest in this project and I believe your support of this endeavour will enhance the relationship between the Canada Trust and our community.

We anxiously await your response in this matter. I may be contacted at the number below or at (416) 540-8930 [cell] or (416) 696-7856 [home].

Yours truly,

Jamaican Canadian Association

A handwritten signature in cursive script, appearing to read "Herman Stewart".

per: Herman Stewart

JAMAICAN CANADIAN ASSOCIATION

REQUEST FOR FINANCING

Loan Required: \$1,015,000

Purpose: To refinance \$350,000 balance of building acquisition loan and to provide an additional \$665,00 to finance, renovations - conversion to a community and social club.

Loan Term/Amortization: Term of 2 years/amortization 15 years.

Interest Rate: Fixed 7.25 per annum

Repayment schedule: \$27,557.13 Quarterly including interest

Security: 1st Mortgage on 995 Arrow Road, North York. Estimated value on completion - \$1,450,000
Appraisal dated January 13, 1998.

PROJECT ECONOMICS

Costs

Land and Buildings (Purchased March '96) \$ 765,000

Renovations 886,000
\$1,651,000

Financing

Cash Equity \$ 636,000

Bank Term Loan \$1,015,000
\$1,651,000

JAMAICAN CANADIAN ASSOCIATION

PROJECT DETAILS

- Renovations are to be completed over a period of 6 months ending in June, 1999 at a cost of \$846,000 before a (4.7%) contingency of \$40,00. Project cost has been capped at \$886,000 by the Board of Directors and as charge orders are not expected to be significant, overruns if any, should be nominal and within the contingency.
- The project will be managed by a construction manager with over 20 years experience, and, given his expertise and experience, the JCA does not see the need for a project monitor; however, we would be receptive to the review of the project budget by a project monitor or quality surveyor on behalf of Canada Trust. The project architect will provide all certificates required by Canada Trust to release funds during construction.
- Major work accounting for 100 % or \$846,000 of the budget, will be completed under fixed price contracts and while not taken into account in the budget, cost savings are expected from pro bono work to be completed by skilled JCA members.
- The JCA will have cash equity of \$640,000 in the project on completion representing 39% of cost and 44% of appraised value. This equity will consist of cash of \$415,000 provided towards the purchase price in cash on closing and subsequent loan repayments and \$225,000 input into the renovations.
- Cash of \$225,000 in hand will be used to finance the first \$225,000 of cost. Pledges of \$78,000 have been received to date and we anticipate raising another \$50,000 - \$70,000 prior to completion of the project. In addition, as a result of exemptions to realty and education taxes recently approved by The City and Provincial governments, tax rebates should provide \$25,000 - \$30,000.
- Costs relating to furnishings will be met from fundraising receipts in excess of funds directed to the renovations.
- The term loan will be repaid from net cashflow providing debt service coverage of 2.16x. Three year cashflow projections attached.
- The interest rates proposed recognize that the JCA is a charitable organization.
- The JCA's capital budget strategy established a \$3 million fundraising target which will be pursued over the next 3 years. These funds will be used to repay the term loan upon maturity and fund the JCA's programs.

**JAMAICAN CANADIAN ASSOCIATION
COMMUNITY GOVERNMENT GRANTS
INCOME/EXPENDITURE CASHFLOW PROJECTION
FOR FISCAL 1998/99 TO 2000/2001**

<u>GOVERNMENT FUNDING</u>	<u>YEAR 1 1998/99 INCOME</u>	<u>YEAR 1 1998/99 EXPENDITURES</u>	<u>YEAR 2 1999/2000 INCOME</u>	<u>YEAR 2 1999/2000 EXPENDITURES</u>	<u>YEAR 3 2000/2001 INCOME</u>	<u>YEAR 3 2000/2001 EXPENDITURES</u>
Ministry of Community & Social Services	\$173940	173940	\$173940	173940	\$173940	\$173940
Metro Community Resources	27500	27500	27500	27500	27500	27500
Citizenship & Immigration Canada (ISAP)	83507	83507	56618	56618	56618	56618
Multiculturalism - Heritage Canada	30000	30000	65000	65000	65000	65000
Ontario Ministry of Citizenship (NSP)	38000	38000	38000	38000	38000	38000
Ontario Womens Directorate	7000	7000	7000	7000	7000	7000
Ministry of Solicitor General	30000	30000	60000	60000	60000	60000
Board of Education - North York	18700	18700	35000	35000	35000	35000
HRDC - Employment	14521	14521	100000	100000	100000	100000
HRDC - National Resources Canada	20000	20000	20000	20000	20000	20000
City of Toronto	N/A	N/A	15000	15000	15000	15000
<u>United Way</u>	<u>103961</u>	<u>103961</u>	<u>103961</u>	<u>103961</u>	<u>103961</u>	<u>103961</u>
TOTAL INCOME	\$547129	\$547129	\$702019	\$702019	\$702019	\$702019
TOTAL EXPENDITURES	\$547129	\$547129	\$702019	\$702019	\$702019	\$702019
NET CASH FLOW	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**JAMAICAN CANADIAN ASSOCIATION
FUNDRAISING/OTHER INCOME &
EXPENDITURES FOR FISCAL
1998/99 TO 2000/2001**

	<u>Year 1 1998/99</u>		<u>Year 2 1999/2000</u>		<u>Year 3 2000/2001</u>	
	<u>Income</u>	<u>Expenditure</u>	<u>Income</u>	<u>Expenditure</u>	<u>Income</u>	<u>Expenditure</u>
Banquet Hall Rental	\$ n/a	n/a	\$134280	26856	\$161136	32227
Rent (Tenants)*	29616	2961	29616	2961	29616	2961
Bingo*	96000	71000	96000	71000	96000	71000
Buy A Brick Campaign	100000	30000	100000	30000	100000	30000
Foundations	7000	0	7000	0	7000	0
Corporations*	20166	0	25000	0	30000	0
Service Clubs	5000	0	5000	0	5000	0
Individual Pledges (Members)	25000	0	25000	0	25000	0
Donations (Other)	30000	300	30000	300	30000	300
SPECIAL EVENTS						
Annual Car Raffle*	85000	30000	115000	30000	115000	30000
Annual Walk-A-Thon*	20500	500	20500	500	20500	500
Annual Anniversary Event	7500	500	7500	500	7500	500
New Year's Eve Dance	7500	500	7500	500	7500	500
Other Events	14000	2000	17000	2000	21000	3000
Total	\$447284	137761	\$619396	164617	\$655252	170988

TOTAL INCOME	= \$ 994411	\$1322415	\$1357271
TOTAL EXPENDITURES	= \$ 684890	\$ 866636	\$ 873007
TOTAL NETCASH FLOW	= \$ 309521	\$ 454779	\$ 484264
ANNUAL DEBT SERVICE	= \$ 110229	\$ 110229	
DEBT SERVICE COVERAGE	= 2.80 X	4.12 X	

PROJECTED INCOME BUDGET - COMPARISON OF DAILY RENTAL RATES

**Capacity - Sitting 650
 Theatre Style 850**

Size: 3,500 sq ft

Scenario A - Regular

Days of week	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Anticipated Income
Expected Rental Fee	\$850	\$600	\$600	\$600	\$600	\$1400	\$1400	
Booked Weeks	36	16	18	18	24	36	39	
Total	30600	12800	14400	14400	19200	50400	54600	\$196400

Scenario B - High Season

Days of week	Sun	Mon	Tues	Wed	Thu	Fri	Sat	Anticipated Income
Expected Rental Fee	\$1000	\$800	\$800	\$800	\$800	\$1600	\$1600	
Booked Weeks	14	16	16	16	16	14	9	
Total	14000	12800	12800	12800	12800	22400	14400	\$102000

**St. Lawrence Town Hall
Capacity - Sitting 300
Cocktail -**

Size: 2,000 sq ft

Days of Week	Sun	Mon	Tues	Wed	Thu	Fri	Sat
Current Rental Fee	\$1750	\$1750	\$1750	\$1750	\$1750	\$2100	\$2100
High Season	\$1950	\$1950	\$1950	\$1950	\$1950	\$2250	\$2250

PROJECTED INCOME BUDGET - COMPARISON OF DAILY RENTAL RATES

Estonia House

Capacity - 300

Size: 3,000 sq ft

Theatre Style - 450

Days of Week	Sun	Mon	Tues	Wed	Thu	Fri	Sat
Current Rental Fee	\$650	\$650	\$650	\$650	\$650	\$1100	\$1100

J.C.A. BUDGET

REVISION 2

7-Oct-98

1	DEMOLITION Kenlyn Renovate	\$	5,600.00
2	CONCRETE WORK	\$	10,000.00
3	MASONRY INCLUDING DEMOLITION 3 A Structures	\$	13,168.00
4	STRUCTURAL STEEL WORK Advance	\$	60,000.00
5	MILLWORK Kenlyn Renovate	\$	15,000.00
6	ROOF REPAIRS	\$	10,000.00
7	H.M. DOORS/FRAMES/HARDWARE (b) Commercial Door & Hardware (supply only)	\$	25,200.00
8	WINDOWS & GLAZING/MIRRORS Aluminar	\$	25,000.00
9	DRYWALL & ACOUSTICS Bolton Drywall	\$	91,000.00
10	PAINTING Own estimate with volunteers	\$	28,000.00
11	PLUMBING Kenlyn Renovate	\$	51,800.00
12	SPRINKLER Lisi Mechanical (no drawings)	\$	9,250.00

J.C.A. BUDGET

13	H.V.A.C. Hylton	\$ 115,000.00
14	ELECTRICAL Special Touch Electric	\$ 143,000.00
15	LOCKERS Estimate	\$ 3,000.00
16	FOLDING PARTITION Lawrence Pain	\$ 20,000.00
17	KITCHEN SUPPLIES	\$ 55,204.00
18	TOILET PARTITION/WASHROOM ACC. Commercial Doors & Hardware	\$ 11,100.00
19	FLOORING Budget Carpet	\$ 85,000.00
20	SITE WORK/LANDSCAPING	\$ 30,000.00
21	CONTINGENCIES	\$ 40,000.00
22	MANAGEMENT	\$ 40,000.00
TOTAL:		<u><u>886,322.00</u></u>